

Senate File 199 - Introduced

SENATE FILE 199
BY COMMITTEE ON STATE
GOVERNMENT

(SUCCESSOR TO SSB 1064)

A BILL FOR

1 An Act making changes to the campaign finance laws relating to
2 independent expenditures and making penalties applicable.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 68A.201, subsection 1, Code 2015, is
2 amended to read as follows:

3 1. a. Every committee, as defined in this chapter, shall
4 file a statement of organization within ten days from the date
5 of its organization. Unless formal organization has previously
6 occurred, a committee is deemed to have organized as of the
7 date that committee transactions exceed the financial activity
8 threshold established in section 68A.102, subsection 5 or
9 18. If committee transactions exceed the financial activity
10 threshold prior to the due date for filing a disclosure report
11 as established under section 68A.402, the committee shall file
12 a disclosure report whether or not a statement of organization
13 has been filed by the committee.

14 b. A person who makes one or more independent expenditures
15 and files all statements required by section 68A.404 shall not
16 be required to organize a committee or file the statement of
17 organization required under this section.

18 Sec. 2. Section 68A.402B, subsection 3, Code 2015, is
19 amended by striking the subsection and inserting in lieu
20 thereof the following:

21 3. A person who makes one or more independent expenditures
22 and files all statements required by section 68A.404 shall
23 not be required to file a statement of dissolution under this
24 section.

25 Sec. 3. Section 68A.404, subsection 2, paragraph a, Code
26 2015, is amended to read as follows:

27 a. An entity A person, other than an individual or
28 individuals, shall not make an independent expenditure or
29 disburse funds from its treasury to pay for, in whole or in
30 part, an independent expenditure made by another person without
31 the authorization of a majority of the ~~entity's~~ person's board
32 of directors, executive council, or similar organizational
33 leadership body of the use of treasury funds for an independent
34 expenditure involving a candidate or ballot issue committee.
35 Such authorization must occur in the same calendar year in

1 which the independent expenditure is incurred.

2 Sec. 4. Section 68A.404, subsection 2, Code 2015, is amended
3 by adding the following new paragraph:

4 NEW PARAGRAPH. *d.* This section does not apply to a
5 candidate, candidate's committee, state statutory political
6 committee, county statutory political committee, or a political
7 committee. This section does not apply to a federal committee
8 or an out-of-state committee that makes an independent
9 expenditure. A person who makes one or more independent
10 expenditures and files all statements required by this section
11 shall not be required to organize a committee or file the
12 statement of organization required under section 68A.201.

13 Sec. 5. Section 68A.404, subsection 3, Code 2015, is amended
14 to read as follows:

15 3. A person, other than a committee registered under this
16 chapter, that makes one or more independent expenditures shall
17 file an independent expenditure statement. All statements
18 ~~and reports~~ required by this section shall be filed in an
19 electronic format as prescribed by rule.

20 ~~*a.* Subject to paragraph "b", the person filing the~~
21 ~~independent expenditure statement shall file reports under~~
22 ~~sections 68A.402 and 68A.402A. An initial report shall be filed~~
23 ~~at the same time as the independent expenditure statement.~~
24 ~~Subsequent reports shall be filed according to the same~~
25 ~~schedule as the office or election to which the independent~~
26 ~~expenditure was directed.~~

27 ~~{1} A supplemental report shall be filed on the same dates~~
28 ~~as in section 68A.402, subsection 2, paragraph "b", if the~~
29 ~~person making the independent expenditure either raises or~~
30 ~~expends more than one thousand dollars.~~

31 ~~{2} A report filed as a result of this paragraph "a" shall~~
32 ~~not require the identification of individual members who~~
33 ~~pay dues to a labor union, organization, or association, or~~
34 ~~individual stockholders of a business corporation. A report~~
35 ~~filed as a result of this paragraph "a" shall not require the~~

~~1 disclosure of any donor or other source of funding to the
2 person making the independent expenditure except when the
3 donation or source of funding, or a portion of the donation or
4 source of funding, was provided for the purpose of furthering
5 the independent expenditure.~~

~~6 b. This section does not apply to a candidate, candidate's
7 committee, state statutory political committee, county
8 statutory political committee, or a political committee.
9 This section does not apply to a federal committee or an
10 out-of-state committee that makes an independent expenditure.~~

11 Sec. 6. Section 68A.404, subsection 5, paragraph g, Code
12 2015, is amended to read as follows:

13 g. A certification by an officer of the corporation
14 representing the person, if the person is other than an
15 individual or individuals, that the board of directors,
16 executive council, or similar organizational leadership body
17 expressly authorized the independent expenditure or use of
18 treasury funds for the independent expenditure by resolution
19 or other affirmative action within the calendar year when the
20 independent expenditure was incurred.

21 Sec. 7. Section 68A.404, subsection 5, Code 2015, is amended
22 by adding the following new paragraph:

23 NEW PARAGRAPH. h. The name and address of every contributor
24 or source of funding that provided anything of value that
25 was provided for the purpose of furthering the independent
26 expenditure. A person making an independent expenditure
27 shall not be required to disclose the names and addresses of
28 individual members who pay dues to a labor union, organization,
29 or association or individual stockholders of a business
30 corporation.

EXPLANATION

32 The inclusion of this explanation does not constitute agreement with
33 the explanation's substance by the members of the general assembly.

34 This bill makes changes to the campaign finance laws
35 relating to independent expenditures.

1 The bill provides that a person who makes independent
2 expenditures and files all required statements is not required
3 to organize a committee or file a statement of organization.

4 The bill strikes language that required persons making
5 independent expenditures to file a termination report following
6 a determination that the person will no longer make such
7 expenditures. The bill also states that a person who makes
8 an independent expenditure shall not be required to file a
9 statement of dissolution if the person files all other required
10 statements.

11 The bill strikes the requirement that a person making
12 an independent expenditure file the same disclosure report
13 required of candidates.

14 The bill requires that an officer representing a person,
15 other than one or more individuals, certify the prior
16 authorization for the independent expenditure from the person's
17 governing or leadership body. The statute currently requires
18 only a corporation to certify prior authorization.

19 The bill requires that the name and address of every
20 contributor or source of funding that provided anything of
21 value for purposes of furthering an independent expenditure be
22 included on the independent expenditure statement but maintains
23 current Code language that provides that the identification of
24 individual members who pay dues to a labor union, organization,
25 or association, or individual stockholders of a business
26 corporation is not required.

27 As provided in Code section 68A.701, a willful violation of
28 any provision of the campaign finance Code chapter is a serious
29 misdemeanor punishable by confinement for up to one year and
30 a fine of at least \$315 but not more than \$1,875. A variety
31 of civil remedies are also available in Code section 68B.32D
32 for a violation of Code chapter 68A or rules of the ethics and
33 campaign disclosure board, ranging from a reprimand to a civil
34 penalty of not more than \$2,000.